

Exc
(3 of 4)

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1 WILHELMENIA TAYLOR

2 Q Then it says PUAR policies. See that
3 part?

4 A Yes.

5 Q Was that a mistake? You said they
6 weren't policies. Policy of the Rider?

7 A Yes. Whole life policy with paid-up
8 additional Rider attached to it.

9 Q What's the significance, if any, of
10 the 84 percent failing the eligibility test with
11 respect to the whole life policies with the
12 paid-up additional Rider?

13 A I'm trying to recall what I meant by
14 this.

15 The paid-up additions Rider, the
16 value of the paid-up additions Rider could also be
17 used to pay the number premium due as part of the
18 Accelerated Payment Arrangement and from what I'm
19 reading here, Mike sampled 25 policies and there
20 wasn't enough value in the paid-up additions Rider
21 that would allow the premiums to be paid for the
22 life of the contract. That's what I'm saying
23 here.

24 Q What was done in response to that
25 determination? Was any further study done?

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1 WILHELMENIA TAYLOR

2 A I don't recall a further study being
3 done.

4 Q Was any type of policy implemented or
5 policy change with respect to whole life policies
6 that contained or which had a paid-up additions
7 Rider?

8 MS. TAYLOR: Objection as to form.

9 That's a difficult question to understand,
10 also extremely broad.

11 Do you understand the question?

12 THE WITNESS: No. I zoned out for a
13 minute.

14 Q Mike conducted a sampling of 25 such
15 policies and 21 of the PUAR policies or 84 percent
16 failed the eligibility test?

17 A Yes.

18 Q The question I had, first I asked you
19 if a further study was done and you said no. Now
20 I'm asking if anything was done by Met in reaction
21 to the results of that sampling?

22 A The policy that were on AP, also used
23 in the paid-up additions Rider also received the
24 anniversary statements I talked about before and
25 these customers were also provided information

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2 with respect to the AP eligibility on their
3 anniversary notices.

4 Q Anything else outside the anniversary
5 notices? Still talking about the billing
6 statements again.

7 A The Metropolitan Life Outlook and
8 brochures and contact, encouraging representatives
9 to contact their customer. No mass mailing issued
10 that we talked about before that I'm aware of.

11 Q This is something I was trying to get
12 out before. Maybe it wasn't clear.

13 The mailing of anniversary statements
14 to policyholders, be it a policy with a paid-up
15 additions Rider or not, any kind of whole life
16 policy that's Metropolitan Life policy?

17 MS. TAYLOR: Repeat that.

18 Q It's normal routine practice at Met
19 to send statements with whole life policies?

20 A Some customers get a billing notice
21 and some people get anniversary statements. AP
22 customers were getting anniversary statements.

23 Q It was the company practice to send
24 AP-customers anniversary statements?

25 A From what I remember, yes.

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1 WILHELMENIA TAYLOR

2 Q How long had that been the company
3 practice?

4 A I believe, I'm not sure, maybe date
5 back to 1988 or so.

6 Q What about prior to that? Was there
7 an APP program prior to 1988?

8 MS. TAYLOR: Objection as to form.

9 A Program?

10 Q The Accelerated Payment Plan, did it
11 exist prior to 1988?

12 A The Accelerated Payment Arrangement
13 was introduced in I believe 1981 or so.

14 Q Why were anniversary statements first
15 sent in 1988?

16 A I believe that was, my recollection,
17 around the first year that the first customer,
18 first group of customers that would begin to
19 become eligible for AP.

20 Q Outside of the anniversary statement
21 which you said had been sent since 1988 and some
22 of the other things that were already done in
23 Metropolitan Life, was there anything new that was
24 done with respect to these people where it was
25 determined they didn't have sufficient dividend

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2 balance or dividends in their policy to allow the
3 policy to remain in APP?

4 MS. TAYLOR: Which specific people
5 are you referring to? The 25 referred to
6 at page two?

7 Q We can start with that, if you want.
8 Maybe I'll state the question again so it's clean.

9 Outside of things that had already
10 been done at Metropolitan Life, policies already
11 in place, including the anniversary statements and
12 billing statements and other things, was anything
13 new initiated with respect to the people which
14 were identified as a part of the study we just
15 talked about, the 25 percent, to contact them and
16 let them know there were insufficient dividends or
17 dividend balances in their policies to allow it to
18 remain on APP?

19 MS. TAYLOR: Objection as to form.

20 A I can't recall other than the things
21 you just mentioned. Any special notifications
22 that were sent to these particular customers
23 identified in the study.

24 (OFF THE RECORD)

25 (LUNCHEON RECESS TAKEN)

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1

WILHEIMENIA TAYLOR

2

AFTERNOON SESSION

3

4

WILHEIMENIA TAYLOR continues testifying as

5

follows:

6

7

CONTINUED DIRECT EXAMINATION BY MS. TAYLOR:

8

(Letter, November 4, 1995, Rayl

9

to Lynch is received and marked Taylor 11 for

10

identification)

11

MR. BARTHOLOMAEI: For the record,

12

what I have just marked as Taylor

13

deposition Exhibit 11 is a November 4, 1995

14

letter from Jim Rayl to Frank Lynch

15

regarding Collapse Date Notification -

16

Accelerated Premium Payment. Bates numbers

17

of MP 4011071129 through 71132.

18

Q Ms. Taylor, if you could just take a

19

moment and read through at least the first page of

20

this document and I'm going to ask you some

21

questions about it. If you want to read through

22

the rest, that's fine, but I have questions only

23

as to the first couple of pages.

24

A I read page 1 and 2.

25

Q The last paragraph on page one starts

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2 off, "The AP natural work team". You see that?

3 A Yes.

4 Q Talks about a proposal suggesting
5 that all 93,000 policyholders currently on the AP
6 Arrangement be notified and Mr. Rayl says he was
7 lead to believe that the cost was prohibited or
8 cost was a consideration for not following through

9 with that proposal.

10 The first question I have, are you
11 aware of such a proposal that was considered by
12 the AP natural work team as described here by Mr.
13 Rayl?

14 A I don't recall this proposal.

15 Q Was there any proposal considered by
16 the AP natural work team of notifying all
17 policyholders who are currently on the AP
18 Arrangement?

19 A I don't recall, but there were a lot
20 of memos in discussions that took place on the AP
21 team. I don't recall specifically that proposal
22 to contact everyone.

23 Q Was there any study done or any
24 investigation of the amount of money it would cost
25 to notify people who were on the AP Arrangement?

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1 WILHEIMENIA TAYLOR

2 A I also don't recall an amount or a
3 study.

4 Q The company give any consideration to
5 the amount it would cost to notify a whole class
6 or the entire universe of people who are on the AP
7 Arrangement?

8 MS. TAYLOR: Objection as to form.

9 A I don't recall the amount of money
10 with respect to notifying people you just
11 described.

12 Q On the second page, Mr. Rayl talks
13 about the dividend scale having been lowered in
14 1996.

15 Do you have any knowledge as to
16 whether the dividend scale was lowered in 1996?

17 A Yes, I believe the dividend scale was
18 lowered in 1996.

19 Q What about at this point in time --
20 we are now talking about the end of 1995,
21 beginning of 1996 -- was any further contact made
22 with policyholders like we talked about before
23 outside of the anniversary statements, billing
24 statements or suggestion that representatives
25 contact policyholders who were participants in the

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2 AP Arrangement?

3 A Although I wasn't involved in the
4 Accelerated Payment Arrangement during this time
5 period, I recall that there was some documents
6 with respect to the announcement of the dividend
7 scale reduction for 1996 that encouraged
8 representatives to contact their customers as part
9 of the preparation for this deposition.

10 Q Was any further contact made with
11 policyholders individually like we talked about
12 before? I asked you a whole series of questions
13 before at that time in '92, '93. Was anything
14 done at this point in time in late '95, '96?

15 MS. TAYLOR: Other than the
16 communication she already discussed?

17 MR. BARTHOLOMAEI: Other than what we
18 talked about.

19 A I don't recall other communications
20 other than what we discussed.

21 Q You are not aware of any?

22 A No. I wasn't involved in the AP
23 Arrangement at that point in time. I'm trying to
24 recall from the documents I looked at.

25 (Letter, October 28, 1994, Rayl

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1 WILHELMENIA TAYLOR

2 to Barbara Gardner is received and marked as
3 Taylor Exhibit 12 for identification)

4 MR. BARTHOLOMAEI: What was just
5 marked as Taylor deposition Exhibit 12 is a
6 memorandum from Jim Rayl dated October 28,
7 1994. This is addressed to Barbara Gardner
8 and the Bates numbers are MP 4011071009

9 through 71014.

10 Q Is this something you have seen
11 before, Ms. Taylor?

12 A No, I don't recall seeing this
13 before.

14 Q Is this something that was used by
15 the natural work team?

16 A Not that I can recall. It's dated
17 October 19 '94 and I basically wasn't involved
18 with the natural work team after that.

19 Q Do you know who would know the answer
20 to that?

21 A I'm not even sure if I remember the
22 natural work team was still in existence in
23 October 19, '94. I can't think of anyone who
24 would know this was used except some other members
25 of the natural work team. There were several

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2 people on the team.

3 (Letter, January 3, 1995, Rayl
4 to Barnewold is received and marked Taylor 13 for
5 identification)

6 MR. BARTHOLOMAEI: What has just been
7 marked as Taylor Exhibit 13 is a one-page
8 letter from Jim Rayl to Bill Barnewold
9 dated January 3, 1995 regarding field
10 announcement for AP anniversary statements.
11 Document bears Bates number MP 4011071008.

12 (OFF THE RECORD) (ON THE RECORD)

13 (Letter, Darlane West to
14 Barbara Gardner, January 11, 1995 is
15 received and marked Taylor 14 for
16 identification)

17 (Memo to the Field Force from
18 Metropolitan Life re AP Arrangement
19 Customer Communications is received and
20 marked Taylor 15 for identification)

21 (Document titled Accelerated
22 Payment (AP) Arrangement, March 28, 1995,
23 by Bill Barnewold is received and marked
24 Taylor 16 for identification)

25 (Memo to Distribution, from

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1 WILHELMENIA TAYLOR

2 William T. Barnewold, December 8, 1995, re
3 Accelerated Premium (AP) Arranged, plus
4 attachments, is received and marked Taylor
5 17 for identification)

6 Q Ms. Taylor, you read this over?

7 A Yes.

8 Q Is this something you saw before
9 today?

10 A I don't recall seeing this.

11 Q This is another letter from Mr. Rayl
12 to Mr. Barnewold. Mr. Rayl in the second to last
13 paragraph says:

14 If anyone believes that the majority
15 of our Field Representatives will actually
16 approach these customers and explain it, they are
17 living in a dream world. Many of the writing reps
18 are long gone and the others have no vested
19 interest in communicating this kind of bad news to
20 the customer."

21 The question I have, is this
22 something that was considered in the proposed
23 strategies by the natural work team as to whether
24 the existing representatives would go and inform
25 customers that there may be issues with respect to

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1 WILHELMENIA TAYLOR

2 their Accelerated Payment plans where the plan or
3 policy had been sold by a prior representative who
4 no longer works at the company?

5 MS. TAYLOR: Objection as to form.

6 A With respect to the rep's willingness
7 to do so? I don't remember that being discussed
8 on the AP natural work team, although the reason

9 we created the brochures and educational pieces
10 was to explain how the AP Arrangement worked at
11 Metropolitan Life expressly for new
12 representatives who may be inheriting customers
13 that they didn't actually make the sale to.

14 Q Were these brochures mailed to
15 policyholders or something the sales
16 representatives were supposed to distribute to
17 policyholders?

18 MS. TAYLOR: Objection to form. I
19 think this was asked and answered. I know
20 there was a discussion of ABC's dividends
21 she specifically mentioned.

22 MR. BARTHOLOMAEI: I'm not clear
23 whether that was something sent to Field
24 Representatives and either mailed out from
25 there or distributed from there or

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1 WILHELMENIA TAYLOR

2 something mailed out from the Home Office
3 at Metropolitan Life?

4 THE WITNESS: I believe the ABC's of
5 Dividends brochure was mailed out.

6 Q Mailed out from where?

7 A The payment process centers as stuff
8 included in bills to customers. The brochures

9 were available and wording similar to the brochure
10 was included in the Metropolitan Life Outlook sent
11 to customers and Accelerated Payment brochure
12 could be used by the representative in a
13 discussion with either prospective customers or
14 customer regarding the AP Arrangement.

15 Q Were any mailings done from the Home
16 Office or department of Metropolitan Life to
17 policyholders where the mailing only contained a
18 brochure talking about Accelerated Payment Plan?

19 A I can't recall, but I don't believe
20 so. I think it would be included with other
21 information about the policy.

22 Q So these brochures were basically
23 stuffed in with a Bill or anniversary statement or
24 something like that?

25 A The ABC's dividend brochure. The

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2 other brochure could have been hand delivered and
3 discussed by the representative with the customer.

4 Q The ABC's brochure was the only one
5 mailed to the customer?

6 A That's that I recall. This is 1995.
7 I don't remember from the documents what processes
8 and mailings took place after that date. They

9 could be in the documents. I can't recall right
10 now.

11 Q Was there any follow up done on
12 whether sales representatives were actually going
13 and distributing the brochures to policyholders?

14 MS. TAYLOR: You mean the Accelerated
15 Payment Arrangement brochure.

16 MR. BARTHOLOMAEI: Yes.

17 A Like a surveyor something?

18 Q Anything, where the branch office
19 somebody contacted and said, are your sales reps
20 distributing these brochures or policyholders
21 contacted, and said, have you received brochures
22 from your sales rep? Any type of follow up?

23 A I can only speak what I know of.

24 Branch managers could have required
25 their sales reps or regional managers after we

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1 WILHELMENIA TAYLOR

2 made the brochures available. I don't recall a
3 memo coming from the Metropolitan Life Home Office
4 or a survey conducted at that level. It could
5 have been done at the more local level of the
6 field.

7 Q I think you answered my question. So
8 I'm clear.

9 What I'm asking, was anything done at
10 the Home Office level to determine whether sales
11 representatives were either distributing, to
12 determine whether sales representatives were
13 distributing these brochures we just talked about?

14 A I can't recall any action taken at
15 the Home Office level to determine whether the
16 representatives were using these brochures and
17 discussing these brochures with their customers.

18 Q Are you aware of that action taken at
19 any level?

20 MS. TAYLOR: Objection as to form.

21 Asked and answered.

22 A Not a survey. I can't really speak
23 to what the local management did. It didn't
24 happen at the Home Office level. It's very
25 conceivable it happened at the field office

1

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2 levels.

3 Q I understand it's possible.

4 A I'm not aware of it, no.

5 MR. BARTHOLOMAEI: I'll mark this
6 next document as Taylor Exhibit 14. It is
7 a one-page memorandum from Darlane West to
8 Barbara Gardner regarding AP Accelerated

9 Payment Arrangement. Bates number of the
10 document is MP 4011070911.

11 Q Prior to today, is this something you
12 had seen before?

13 A No, I don't recall seeing this.

14 Q Do you know who Darlane West is?

15 A If I'm not mistaken, Darlane West was
16 at some time I think she participated on the AP
17 natural work team.

18 Q What role did she play in the AP
19 natural work team?

20 A She was a member of the customer
21 service organization that participated on the
22 team.

23 Q In the second to last paragraph it
24 states, that it says in the next couple of weeks
25 the billing documents to carry the AP collapsed

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2 date.

3 Let me ask you first if you know what
4 that means, the AP collapsed date?

5 MS. TAYLOR: Objection to form.

6 A I'm not sure what she means by
7 collapsed date.

8 Q Is that a term used at Metropolitan
9 Life?

10 A It's in this memo. It's not a term
11 I'm familiar with.

12 Q The last two sentences of that same
13 paragraph says:

14 "A short statement on a billing
15 document is not enough. We need to be providing a
16 complete explanation about the AP problems before,
17 underlined, we place any information on the
18 billing documents."

19 Is that something that was considered
20 by the natural work team in deciding which
21 information would be placed on the billing
22 documents sent to policyholders who were
23 participants in the AP Arrangement?

24 MS. TAYLOR: Objection as to form.

25 A I'm not sure what she's referring to

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2 here because there was already information
3 including, from my recollection, the documents
4 that I reviewed, that was already included on the
5 billing document, anniversary statement for AP
6 customers. I'm not sure what she's talking about
7 here.

8 Q The paragraph above that. The second
9 to last sentence says:

10 "We can't continue to always rely on
11 our field associates to communicate policy
12 provisions to our policyholders."

13 Is that something that was also
14 considered by the AP natural work team by others,
15 other people other than Ms. West who was part of
16 the team? Did you understand the question?

17 She says, we can't continue to always
18 rely on our field associates to communicate policy
19 provisions to our policyholders. You told me she
20 was part of the AP natural work team.

21 I'm asking were there others on the
22 AP natural work team who either made the same
23 suggestion or was that something that was
24 discussed on the AP natural work team?

25 MS. TAYLOR: Objection as to form.

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2 A First of all, I mean Ms. West appears
3 to be talking about the communication of policy
4 provisions by Field Representatives and it's a
5 pretty broad statement.

6 Always relying on the field sounds
7 more like her opinion. I never heard that
8 discussed on the AP natural work team, that we are
9 always relying on field associates to communicate
10 policy provision and AP is not a policy provision.
11 I don't understand her statement even more.

12 Q In that second to last paragraph
13 here, "our policyholders will not understand",
14 that's the second sentence. Do you see that part?

15 A Got it, yes.

16 Q Was there any discussion done by the
17 AP natural work team as to the level of
18 understanding or communication that policyholders
19 had of billing statements like this? Any testing
20 done showing it to people and asking them to
21 explain it or if they could explain it?

22 MS. TAYLOR: Objection as to form.

23 A She is referring to something for an
24 AP collapsed date. Then she's saying, our
25 customers will not understand.

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1 WILHELMENIA TAYLOR

2 So I don't recall us conducting a
3 study to decide if the billing documents that she
4 is referring to would be understandable to a
5 policyholder. I don't recall any such study.

6 Q What about a study investigating
7 whether, like I said, billing statements or
8 anniversary statements were understandable to
9 policyholders?

10 MS. TAYLOR: I want to object to the
11 form. I think the word "study" is
12 ambiguous, what a formal study is. There
13 is a communications area. And I believe
14 Ms. Taylor testified there was someone in
15 communications who was on that team and
16 objectively looks at documents in terms of
17 communications. I don't know the word
18 "study" is that clear.

19 MR. BARTHOLOMAEI: You can call it
20 what you want. I'm asking about any type
21 of investigation, gathering of information
22 in order to obtain a result where people
23 looked into something such as the level of
24 understanding that people had when they
25 received their anniversary statement or

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1 WILHELMENIA TAYLOR

2 billing statement of the information that

3 was contained in those statements.

4 Q I gave you a couple of examples

5 before. For example, someone was contacted and

6 said when you received your anniversary statement,

7 did you understand it could mean X or something of

8 that nature?

9 A I'm not aware of it.

10 Q What I just marked as Taylor Exhibit

11 15 is a three-page document to the Field Force

12 regarding the Accelerated Payment Arrangement,

13 Customer Communications dated March 27 1995. MP

14 4011070918 to 70920.

15 On the right of the document it says,

16 Metropolitan Life Individual Sales Release.

17 The attachment is entitled MetLife's

18 Accelerated Payment Arrangement. Is this

19 attachment, which looks like a brochure, is this

20 something you have been referring to during the

21 deposition today?

22 A It appears to be, yes.

23 Q What was the purpose of this

24 brochure?

25 A To provide more education to MetLife

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2 customers on how the Accelerated Payment
3 Arrangement worked at MetLife in a question and
4 answer format..

5 Q Just so we can identify it. Can you
6 tell me, this was one of the brochures you were
7 referring to earlier, it was to be distributed by
8 sales representatives at the branch level?

9 A It could have been. If reps were
10 provided with a, I think a larger version of the
11 brochure. This one was designed to be mailed.
12 This happened in 1995.

13 Q Is this also a brochure mailed to
14 policyholders?

15 A Reading this document it appears it
16 was mailed to customers.

17 Q Can you tell me to whom this brochure
18 was mailed to generally?

19 A Generally speaking, 1995 I wasn't
20 involved with AP. I'm reading the document. It
21 says it will be mailed with anniversary statements
22 to policies already active on the AP Arrangement
23 as well as being mailed to customers who newly
24 requested the AP Arrangement.

25 Q Is this brochure something you have

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2 seen before?

3 A The longer version, yes.

4 Q What's the longer version, what does
5 that mean?

6 A This is a one-page brochure and says,
7 although the format and design of the brochure has
8 been altered to meet postage requirements, the

9 text of the one-page AP insert is identical to the
10 text of the legally-approved consumer brochure.

11 Q The one that was provided to sales
12 representatives is actually a three or four-page
13 brochure?

14 A It may have been more than three or
15 four pages. It's in the documents how many pages
16 it was.

17 This says there were eight pages,
18 third paragraph.

19 Q Was this brochure created by the
20 natural work team?

21 A Which brochure?

22 Q The one we are looking at?

23 A Since is identical in nature, the
24 natural work team did work on the brochure, yes.

25 Q Who else worked on that besides the

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1 WILHELMENIA TAYLOR

2 natural work team, if anybody?

3 A I don't know, that I can think of.

4 The team worked on it and it was approved for
5 release.

6 MR. BARTHOLOMAEI: What I have marked
7 as Taylor Exhibit 16 is a document entitled
8 Accelerated Payment Arrangement, and the

9 Bates numbers are MP 4011070905 through
10 70908 and there is a document signed by
11 Bill Barnewold annotated March 28, 1995.

12 Q Is this something you've seen before,
13 Ms. Taylor?

14 A I don't recall seeing this.

15 Q On the front page there is a list of
16 names from different departments in MetLife and
17 the bottom right there is a little star and says
18 AP, I assume that stands for natural work team,
19 NWT Members. There are stars next to the names of
20 people on this list.

21 I want to ask you generally if you
22 recognize some of these people as members of the
23 natural work team where it is indicated?

24 A I recognize some of the names, yes.

25 Q I don't see your name. At this time

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2 you weren't on the natural work team, is that
3 right?

4 A Correct.

5 Q On page two, it says:

6 "The following AP actions are
7 contemplated for 1995." There is a list of
8 several different I guess called AP actions.

9 Can you tell me which, if any, of
10 these, I'll use the word "actions" because that's
11 what it says in the document, were actually put
12 into effect in 1995?

13 A I'd have to go through the documents
14 to see what was involved in the AP. I would have
15 to check the documentation and compare it to the
16 documents.

17 Item 1, it appears that was done. We
18 just looked at it.

19 Q Go through them one by one. What
20 about number two?

21 A I don't know. I would have to -- I
22 don't know if there is any document that speaks to
23 it other than this memo.

24 I can't recall if each one of these
25 things were done because I wasn't involved with

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1
2 the unit. I would have to compare it to other
3 documentation as part of in deposition to see if
4 there was something that spoke to the
5 implementation.

6 Q Do you know who I would have to talk
7 to to find out which of these things were
8 implemented?

9 A Probably Bill Barnewold, he would be
10 the person.

11 Q Can you look at number three, first
12 paragraph of number three. If you could, read
13 that please.

14 A Okay.

15 Q At the top of the page and right
16 below that paragraph, it says:

17 Additional members of top management
18 would have to approve or concur with, it says this
19 threshold strategy and the collapse year parameter
20 selected.

21 Can you tell me why that particular
22 strategy would have to be approved by the other
23 members of top management?

24 MS. TAYLOR: Objection as to form,
25 lack of foundation.

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2 A No, I don't know why.

3 MR. BARTHOLOMAEI: What I just marked
4 as Taylor Exhibit 17 is a document, the
5 cover page is dated December 8, 1995 which
6 attaches a document dated December 4, 1995.
7 MP 4011070898 through 70903.

8 Q Is this something you had seen
9 before?

10 A I don't remember seeing it.

11 Q Looking at the first page below the
12 box where it is redacted, do you see that?

13 A Yes.

14 Q At the next Board of Directors
15 meeting on December 19, 1995 John Tweedy will be
16 updating the members on what is being done to
17 overcome the concerns associated with "vanishing
18 premium" cases.

19 Can you tell me if the term
20 "vanishing premium" was something that was used at
21 the company at this time in 1995?

22 MS. TAYLOR: Objection.

23 Q To describe a certain type of case?

24 A In 1995 I wasn't involved with the
25 Accelerated Payment Arrangement anymore.

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1 WILHELMENIA TAYLOR

2 I'm looking at this document and it
3 has vanishing premiums, the words in quotes.
4 Office obviously used, but I don't know if it
5 was -- I don't know if it was used other than in
6 context of this memo.

7 Q Can you look at the second page
8 please.

9 First paragraph says:
10 "Using the 1996 dividend scale, we
11 determined how many policies are eligible for AP
12 and how many will collapse before the life
13 expectancy of the policy is reached."

14 Again uses that term "collapse". Is
15 that something again you are familiar with?

16 A Nope. I'm not familiar with the use
17 of that term.

18 Q Below that it says, the following AP
19 information was determined as of 11/27/95.

20 149,482 policies, total number active
21 AP cases.

22 114,647 are fully sufficient for the
23 life expectancy of the policy.

24 34,835 will collapse before reaching
25 life expectancy of the policy.

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2 It goes on to give how many will
3 collapse after 10 years, how many will collapse
4 between five and 10 years and then on and on.

5 Can you tell me what study was done
6 or what information or investigation was made,
7 what information was gathered, excuse me,
8 investigation was made to determine these numbers
9 for these statistics?

10 A No, I can't.

11 Q Do you know who could tell me that?

12 A Probably Bill Barnewold.

13 Q Paragraph underneath that says, the
14 expected rate of collapse then, this is based on
15 the 1995 dividend scale, was 18 percent of the
16 policies that are active on MetLife's AP
17 Arrangement.

18 Next sentence says, using 1996
19 dividend scale, it is now expected 23 percent of
20 our AP Arrangement will collapse before the policy
21 life expectancy is reached.

22 Can you tell me whether that was in
23 fact accurate at this point in time in 1995?

24 MS. TAYLOR: Objection as to form,
25 lack of foundation.

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2 A No, I can't.

3 Q Do you know who would be able to
4 testify to that?

5 A Most likely Bill Barnewold.

6 Q Look at the page ending in Bates
7 number 902 please.

8 At the top it has a heading, Future

9 AP work to be started in 1996.

10 Then it says number one, "Add wording
11 as required to AP annual notices".

12 What's an AP annual notice?

13 A I'm not sure what he's referring to
14 here.

15 Q Then it says A:

16 "For policies within the five-year
17 collapse window and as long as they remain within
18 the five-year window, continue to provide updated
19 options and date information on those billing
20 notices each year. Policies that subsequently
21 move on outside the five-year window will cease to
22 receive information about options and collapse."

23 Can you tell me why policies outside
24 of a fifth year window would not be, the
25 policyholders would not be informed about a

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2 collapsed date as to their policy?

3 MS. TAYLOR: Objection to form. Lack
4 of foundation.

5 A No, I have no idea what this is
6 talking about, the word "collapse". I'm not sure
7 what options he's talking about either. I'm not
8 familiar with any of that.

9 Q Let me ask you to look at the last
10 page of the document please. The last paragraph
11 says:

12 "A main obstacle securing/maintaining
13 the discipline required by our natural work team,
14 NWT, to work on AP while also working on their own
15 day to day jobs. All of our members have other
16 high priority work that must be completed on a
17 timely basis. No one is exclusively assigned to
18 work solely on the AP effort."

19 Is that something that was the case?
20 When you were working on the natural work team,
21 that you also had something other than AP going on
22 with your job?

23 A Yes.

24 Q Is that also the case that no one was
25 assigned exclusively to work on Accelerated

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1 WILHELMENIA TAYLOR

2 Payment Plan type issues?

3 MS. TAYLOR: Objection as to form,
4 lack of foundation.

5 A Well, the AP natural work team and
6 all those members who were participating on the
7 work team had some part of their job typically
8 dealt with AP customer service reps, communication
9 folks, marketing people.

10 So to say that no one worked, no one
11 is exclusively assigned to work solely on the AP
12 effort --

13 Q Is that accurate?

14 MS. TAYLOR: Talking about people on
15 the work team?

16 MR. BARTHOLOMAEI: Yes.

17 A I don't know about everybody else's
18 job, I can only speak to mine. There could have
19 been members that participated on the AP natural
20 work team when I was a part of it. For me, I did
21 other things.

22 Q Do you know who would know if there
23 were such people on the work team that were
24 assigned exclusively to work on AP issues only?

25 A What time? In '95?

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2 Q During the existence of the natural
3 work team?

4 A It would have to be somebody who was
5 on the team from the start until the end. I
6 believe Barnewold was on the team from the very
7 beginning.

8 Q What was his role on the team?

9 A I believe that the administrative
10 people, the ones who set up -- his role began with
11 the mechanization, getting the system prepared to
12 handle AP requests and he was a member like most
13 of us and that obviously he had a bigger role
14 later on. He's writing memos now. Perhaps he
15 would be the one that can tell you about who was
16 doing what.

17 Q When MetLife disseminated APP
18 marketing materials at or at the point of sale,
19 when APP marketing materials were used, was it
20 known that there was a possibility that the APP
21 marketing materials would not be accurate
22 illustrations of the way the policy would be
23 performed?

24 MS. TAYLOR: Objection to form.

25 (RECORD IS READ)

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2 MS. TAYLOR: Objection as to form, I
3 think it's confusing and known by him.
4 Also assumes facts.

5 Q Did you understand that?

6 A Not really.

7 Q I can rephrase it if you need me to.
8 When MetLife created APP marketing

9 materials, something we talked about earlier in
10 the deposition, I asked you if APP was a marketing
11 tool and you said it was. I'm asking when MetLife
12 created marketing materials, was it known by
13 MetLife that the APP plans wouldn't necessarily
14 perform as represented at the time of sale by the
15 sales representative to the policyholder?

16 MS. TAYLOR: Objection as to form.
17 It assumes facts that haven't been
18 established. Also mischaracterizes her
19 prior testimony.

20 MR. BARTHOLOMAEI: Do you want it to
21 be read back with numerous clauses,
22 subparts?

23 (RECORD IS READ)

24 MS. TAYLOR: There has also a lack of
25 foundation. I'll just add that objection

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2 also.

3 A It appears to be asking me about
4 something that the representative would be doing
5 and I don't know -- you said something about the
6 representative. I think.

7 Q The representatives didn't create the
8 APP marketing materials, right, they didn't draw:

9 them up themselves and type them up in the office?

10 A That's why I have a problem with the
11 question.

12 Q All I was saying was that the
13 representative would eventually have to show that
14 to the customer. You understand what I'm saying?
15 As far as it getting to the customer through the
16 representative?

17 A Yes.

18 Q The question was when MetLife created
19 the marketing materials themselves, did MetLife
20 know the marketing materials wouldn't necessarily
21 illustrate the policy accurately if there was some
22 kind of change in the dividend sale or whatever
23 other variable there might have been? Do you
24 understand that?

25 MS. TAYLOR: Let me put an objection

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2 on the record. It assumes facts that
3 haven't been established.

4 A The illustration as given to the
5 customer as part of an APP discussion with the rep
6 was the illustration in some type of consumer
7 brochure. The illustration is just that, it's an
8 illustration of how the APP Arrangement would work

9 based on using current year's dividend scale and
10 so that, I don't know how they could possibly know
11 something else further down the road when they
12 were using the current year's dividend sale.

13 Q I think this is getting to what I was
14 asking you about.

15 When you just said, "I don't know how
16 they could possibly know something further on down
17 the road", what did you mean by that?

18 A I thought the question was did
19 MetLife know it would not perform the
20 illustration?

21 Q Correct.

22 A The illustration is just that. It
23 uses the facts of a dividend scale that was in
24 effect at that time.

25 Based on that set of information the

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2 illustration is prepared and it's not trying to
3 look forward out to the future. It's based on
4 using the current year's dividend and produce the
5 sales illustration based on that dividend scale.
6 I don't know how to answer the question.

7 Q I think that does answer the
8 question.

9 Why wasn't the illustration produced
10 looking into the future, like you said?

11 MS. TAYLOR: Objection as to form.
12 This was asked and answered. She
13 previously had testified about the fact it
14 was her understanding that insurance laws
15 or regulations required companies to
16 illustrate using the current dividend
17 scales. It was a requirement and I believe
18 that was her testimony last week.

19 She can answer it again but it's
20 already in the other transcript.

21 Q Answer again if you can.

22 A When sales illustrations are
23 produced, Met as well as other life insurance
24 companies were limited to the use of the dividend
25 scale in effect at the time the illustration is

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2 being produced and did not use any other dividend
3 scale in the production of that sales illustration
4 and that was, as far as my recollection, that was
5 a regulation of the law, that was a requirement.
6 We didn't have any alternative.

7 Q At the time of the sale where an APP
8 illustrations was used, was any needs analysis

9 done in connection with an APP sale as to whether
10 the person would be able to afford the policy if
11 the dividend scale did drop or some variable
12 change that changed the AP year of the policy?

13 MS. TAYLOR: Objection as to form.

14 Are you asking her if she knows what
15 happened during a particular transaction
16 involving a particular policyholder and
17 sales rep? That seems to be what you are
18 asking her.

19 MR. BARTHOLOMAEI: In essence that is
20 what I'm asking her with respect to what
21 MetLife's policies were with respect to AP
22 sales and she is the AP corporate designee.

23 MS. TAYLOR: The way you phrased it
24 is in a specific situation. You're asking
25 whether there was a policy. That's a

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2 different issue.

3 MR. BARTHOLOMAEI: That is what I'm
4 asking.

5 MS. TAYLOR: Why don't you restate
6 the question then.

7 Q Was there a MetLife policy where the
8 sales agent was to do a needs analysis at the

9 point of sale to determine if a proposed insured
10 or a prospective customer could afford the policy
11 if the AP year changed on the policy?

12 MS. TAYLOR: Objection as to form.

13 A I don't recall and I wasn't involved
14 in how you are instructed to market the AP
15 concept.

16 But overall I have read documents in
17 the past to conducting a needs analysis in the
18 sale of all life insurance sales regardless
19 whether it was an AP sale or not and I don't
20 remember any policy with respect to
21 representatives doing some special needs analysis
22 based on a fluctuation or change in the AP
23 eligibility of a customer.

24 Q How often did policies sold, pursuant
25 to APP, not qualify for APP in the year that's set

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2 forth in the APP illustration?

3 MS. TAYLOR: Objection as to form.

4 A I don't know the answer to that
5 question, but there may be documents, even ones we
6 already spoke to, that might give us information
7 as to when policies may not be able to stay on APP
8 that were already on APP with respect to those

9 that weren't on APP and shown illustrations.

10 I don't have any information that I
11 can recall that tells me about that.

12 Q Do you know who might know that?

13 A No, I don't.

14 Q Can you tell me what information an
15 Account Representative was trained to provide to
16 customers at the time of sale with respect to the
17 Accelerated Payment Plan?

18 A Although I wasn't in the training
19 department, I know that a sales illustration was
20 available for use by the rep as well as consumer
21 brochures that explain the AP Arrangement.

22 Q Did the sales rep have to use a sales
23 illustration in making an Accelerated Payment
24 sale?

25 MS. TAYLOR: Objection to form.

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2 A If he was using an Accelerated
3 Payment sale, he would most likely use an
4 illustration. If he was just generally speaking
5 about the Accelerated Payment Arrangement, it
6 would not necessarily be, he wouldn't necessarily
7 be using an illustration. Could be something that
8 comes up in a conversation with a customer.

9 Q I guess what I'm asking, could a
10 sales rep at the point of sale say: "We have this
11 thing called an Accelerated Payment Plan, I would
12 like to put you on this. You're only going to
13 have to pay for seven years, after that the
14 dividend balance would be enough", whatever it is,
15 explain the Accelerated Payment Plan but not
16 necessarily show the person an illustration?

17 MS. TAYLOR: Objection to form, calls
18 for speculation. Lack of foundation.

19 Q I'm asking if there is a Met policy
20 against that or you necessarily always have to
21 provide the person with an illustration when
22 making an Accelerated Payment sale?

23 MS. TAYLOR: Objection as to form.

24 A The last question, am I answering the
25 last question.

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2 (RECORD IS READ)
3 MS. TAYLOR: Also a compound
4 question.
5 A I understand the last part, was there
6 a policy required. My understanding, correct, a
7 use of sales illustration in an AP sales by a rep?
8 Is that what you are asking?
9 Q Yes.
10 A I don't recall a policy that said you
11 had to use a sales illustration if you were
12 discussing AP. I don't know what a rep would do
13 or not do, but I don't recall a specific policy.
14 Q Who was it at MetLife that approved
15 the reduction to the dividend scale in the early
16 '90s?
17 A My understanding it was the Board of
18 Directors that approved the dividend scales.
19 Q Is that the same for every year?
20 A My understanding it was the Board of
21 Directors.
22 Q What about interest rate reductions?
23 MS. TAYLOR: Objection. I think it's
24 beyond the scope of this deposition. This
25 is an AP deposition and interest rates

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2 don't relate to that.

3 Q Prior to the reduction of the
4 dividend scale in 1992, was any consideration
5 given by the MetLife Board of Directors on how a
6 reduction would affect policyholders on APP?

7 A I'm not sure if it was the 1992
8 dividend scale, but I recall seeing a document
9 when I prepared for this deposition that discusses
10 someone at Met providing information to the Board
11 of Directors with respect to APP, the impact
12 dividends have on an APP. I seem recall there was
13 discussion about that.

14 Q Was it a document we looked at today?

15 A I don't think so.

16 Q Can you tell me what that document
17 was?

18 A Something that came from the
19 actuaries to the Board.

20 MR. BARTHOLOMAEI: Is that something
21 you can provide, Penny Taylor?

22 MS. TAYLOR: We produced to you
23 memoranda that were prepared, memos.
24 Before the Board reaches a decision, they
25 review a recommendation. The actuarial

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2 department prepares memos and say for this
3 year this is our recommendation and that
4 goes through their recommendation and
5 analysis. We produced those. That is what
6 she's referring to.

7 She's not on the Board of Directors
8 or actuarial department, but there are

9 documents that talk about the
10 considerations and you do have those.

11 MR. BARTHOLOMAEI: I think at this
12 point I don't have any further questions.

13 I would like to request that some of
14 the documents that you have identified, at
15 least you said you think you referred to a
16 document and hoping some of those would
17 have been here today. It may have been
18 some of those I weeded out to make the
19 deposition go a little quicker. If some of
20 those can be identified where you were
21 referring to a specific document that we
22 eventually didn't get to.

23 MS. TAYLOR: I'll reserve as to that
24 issue and I obviously need to discuss it.

25 Does anyone else have any questions,

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2 people in Pittsburgh?

3 MR. LABOVITZ: No, we do not have
4 questions.

5 MS. TAYLOR: I think we're finished.

6
7 (TIME NOTED: 2:42 a.m.)

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7

I, WILHELMENIA J. TAYLOR, hereby

8

certify that I have read the transcript of my

9

testimony taken under oath in my deposition of

10

October 1, 2002; that the transcript is a true,

11

complete and correct record of what was asked,

12

answered and said during this deposition, and

13

that the answers on the record as given by me

14

are true and correct.

15

16

17

18

WILHELMENIA J. TAYLOR

19

20

Signed and subscribed to
before me, this ____ day of

21

_____, 2002.

22

23

Notary Public

24

25

1

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CERTIFICATION

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I, ALBERT M. CITTONE, a Certified Court

6

Reporter and Notary Public of the State of New

7

York, DO HEREBY CERTIFY that WILHELMENIA J.

8

TAYLOR, the witness whose deposition is

9

hereinbefore set forth, was duly sworn, and that

10

such deposition is a true record of the testimony

11

given by such witness.

12

I FURTHER CERTIFY that I am not related to

13

any of the parties to this action by blood or

14

marriage, and that I am in no way interested in

15

the outcome of this matter.

16

IN WITNESS WHEREOF, I have hereunto set my

17

hand this 4th day of November 2002.

18

19

20

21

22

ALBERT M. CITTONE

23

Notary Public of the State of New York

24

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